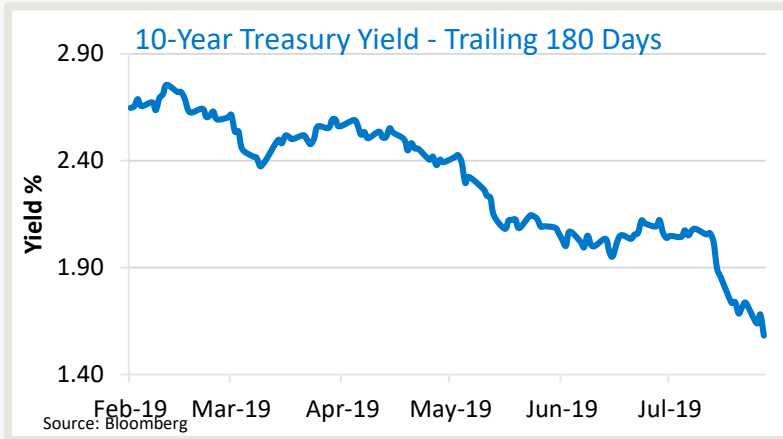




Chart of the Week



Weekly Highlights

- **Volatility creeps in.** US equities were mostly volatile this week as evidenced by the 800-point drop in the Dow Jones Industrial Average, its biggest decline this year. But it gradually picked up later in the week, adding close to 100 points after the retail sales data was released Thursday, and posted a strong opening on Friday.
- **Investors are taking a flight to safety.** Risk-off sentiment prevailed in the fixed income markets, with investors seeking safety in bonds. The yield on the 10-Year U.S. Treasury Note fell below the two-year yield for the first time since 2007, inverting the yield curve and stoking recessionary fears. As investors fled to safety, the 30-year government bond yield plunged below 2% for the first time ever.
- **Retail Sales continue to be strong.** Economic data was largely positive, with Retail Sales rising by 0.70% in July, beating expectations of a 0.30% increase over the previous month and calming fears of an economic slowdown. Excluding volatile products such as vehicles and gasoline, the number increased by an even stronger 0.90%. However, the preliminary reading for Consumer Sentiment for August fell below estimates. Additionally, Industrial Production was a drag on the economy, declining by 0.20% in July due to trade-related concerns. And weekly jobless claims rose more than expected.

Talking Points

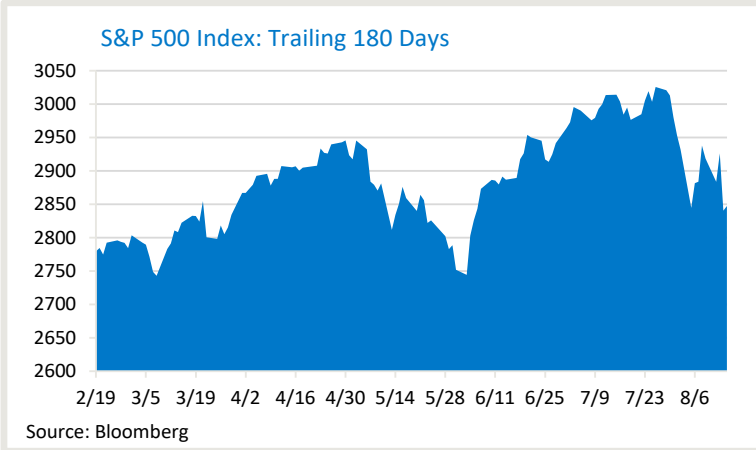
- **Emerging markets hit a rough patch.** Argentina showed it was not immune to political risks, as its stock market plummeted 48% after poll results, sending a shockwave across financial markets. The Argentinian peso also felt the heat after it closed more than 7% weaker against the dollar. China's economy showed signs of struggle after growth in industrial output and retail sales data slowed.
- **European stock markets extended their losing streak.** The decline was led by Britain's FTSE 100, which dropped to a six-month low. Further gloom prevailed in the markets as Germany's economy shrank in the second quarter, driven by a decline in exports, signaling recession.
- **Within commodities, gold rallied, while oil continued to tumble.** This activity echoed prevailing market sentiment.
- **Shares of General Electric tanked.** The stock plummeted 11% after a private financial investigator accused the firm of indulging in accounting fraud at a magnitude higher than that of the Enron scandal.
- **Inflation accelerated in the US.** The Consumer Price Index rose a seasonally adjusted 0.30% last month from June, which was driven by the Energy, Health Care, and Real Estate sectors and the transportation industry.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,888.68	-29.97	-1.03%	15.2%
Dow Industrials	25,886.01	-401.43	-1.53%	11.0%
Nasdaq	7,895.99	-63.15	-0.79%	19.0%
Russell 2000	1,493.64	-19.40	-1.28%	10.8%
Euro Stoxx Index	369.63	-1.93	-0.52%	9.5%
Shanghai Composite	2,823.82	49.07	1.77%	13.2%
MSCI ACWI	497.85	-12.16	-2.38%	9.3%

Source: Bloomberg; Index % change is based on price.

	Last Price	Change	% Chg.	YTD %
MSCI EM	963.52	-17.67	-1.80%	-0.2%
10-Year US Treas.	1.54	-20 bps	NM	NM
Bloomberg Cmdts. Idx.	76.77	-0.65	-0.84%	0.1%
Gold	\$1,512.32	\$15.71	1.05%	17.9%
Crude Oil	\$54.85	\$0.41	0.75%	14.8%
Dollar Index	98.20	0.71	0.73%	2.1%
VIX Index	18.47	0.50	2.78%	-27.3%



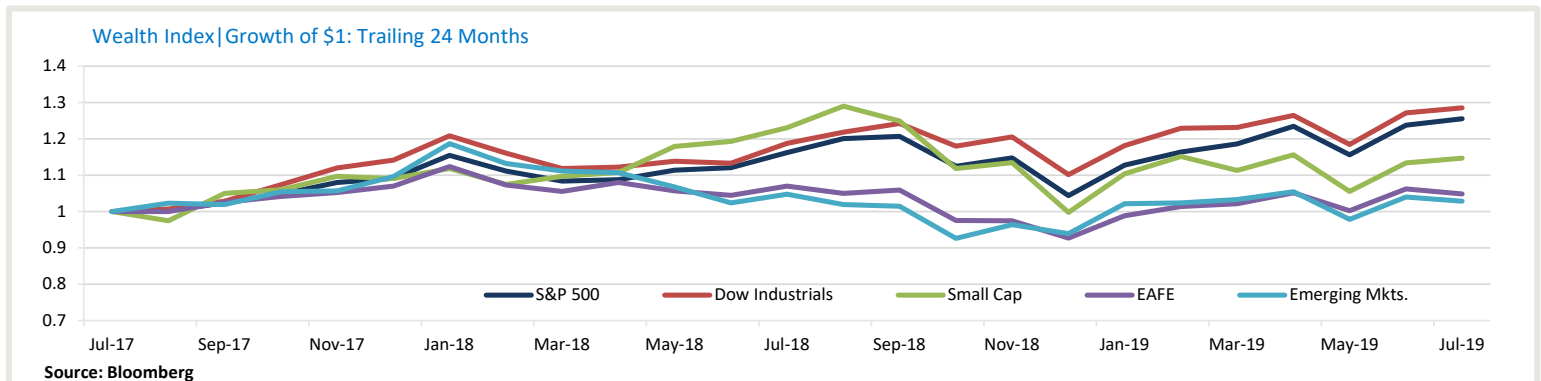
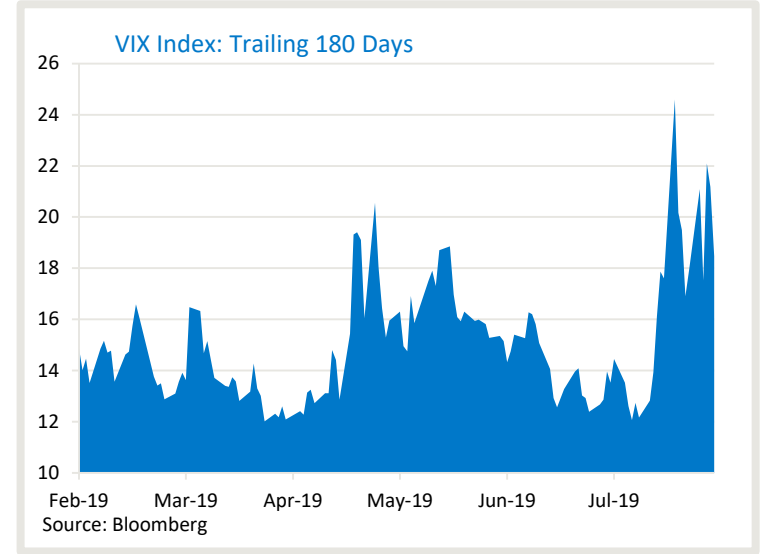
	One Week			YTD		
	Value	Growth		Value	Growth	
L	-1.38%	-0.99%	-0.68%	9.97%	14.91%	19.28%
	-1.58%	-1.38%	-1.08%	12.15%	17.16%	24.64%
S	-1.48%	-1.28%	-1.09%	5.60%	10.76%	15.84%

Source: Bloomberg

Sector Performance:
S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	10.0	-1.90%	17.1%
Consumer Staples	7.6	1.57%	18.5%
Energy	4.4	-3.88%	-1.2%
Financials	12.8	-2.46%	11.2%
Health Care	14.1	-1.06%	4.5%
Industrials	9.2	-1.61%	15.1%
Information Technology	22.0	-0.31%	25.9%
Materials	2.7	-2.02%	11.9%
Real Estate	3.3	0.28%	24.2%
Communication Services	10.5	-0.96%	18.4%
Utilities	3.4	0.53%	15.4%

Source: Bloomberg



Game of Currencies: Yuan at Seven further flames the trade war

A U.S. Treasury release on August 5 designated China as a currency manipulator, after the yuan/dollar ratio fell beyond the key seven-to-one threshold, further worsening the US-China relationship. This was coupled with President Trump's tweet the same day confirming China's "currency manipulation," escalating the trade war to an even higher plane. These actions resulted in Wall Street suffering its worst day of the year: The S&P 500 Index plummeted 800 points, with the 3% decline wiping out more than \$700 billion of US equity market value. Although it has been widely speculated that the People's Bank of China (PBOC) allowed the currency to weaken to lessen the impact of the next round of US-imposed tariffs, this actually is not the first time the Chinese administration has intervened in the currency market since the 2008 Financial Crisis.

China, in its defense, has pledged not to interfere in the yuan's valuation, even though the PBOC blamed the currency depreciation on the market's reaction to a fresh round of US tariffs. Whether the yuan has become the new ammunition in China's arsenal to launch a counter assault to the US declaration of a trade war, or its depreciation is an outcome of market forces, it is of concern to investors. To be labeled as a currency manipulator, China should have 1) an annual \$20 billion bilateral surplus with the US; 2) an overall current account surplus above 3% of its gross domestic product (GDP); and 3) demonstrate a pattern of persistent, one-sided intervention in foreign exchange markets to depreciate its currency. Remarkably, with a surplus of \$29.9 billion as of June 2019, China meets only the first criteria.

Even though market participants have long been verbally attacking China for its role as a currency manipulator, why is the number seven suddenly spooking investors and the U.S Treasury? Although the seven-dollar-per-yuan ratio is largely random and not part of any policy measure, China has set a precedent of keeping its currency above that floor due to potential psychological impact.

In 2014-2015, when China saw that its growth was slumping more than it had expected, and its economy grew at the slowest pace in 24 years, it cut interest rates, pumped money into the stock markets, and devalued the yuan. After the 2015 stock market turbulence, Beijing shocked global financial markets by again devaluing its currency, which resulted in the largest one-day loss for the yuan in two decades. Then in 2016, when the currency faced severe depreciation, the PBOC spent more than \$107 billion of its foreign reserves in a single month to keep the yuan above the seven-per-dollar level.

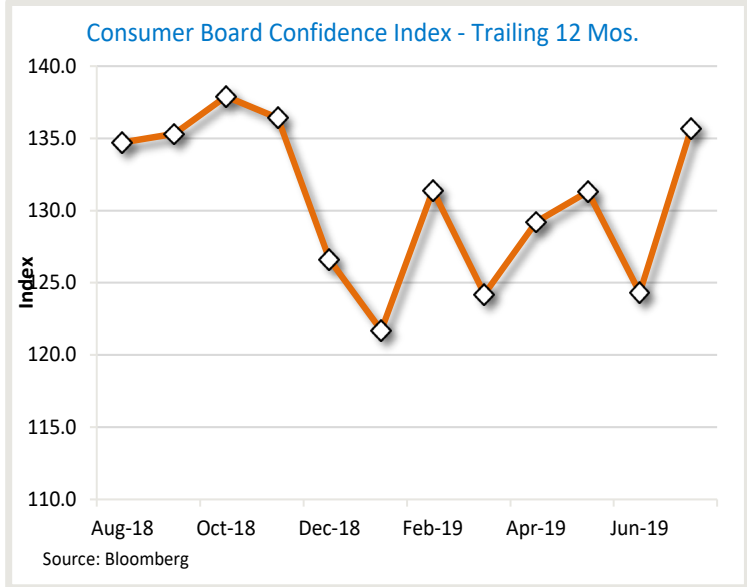
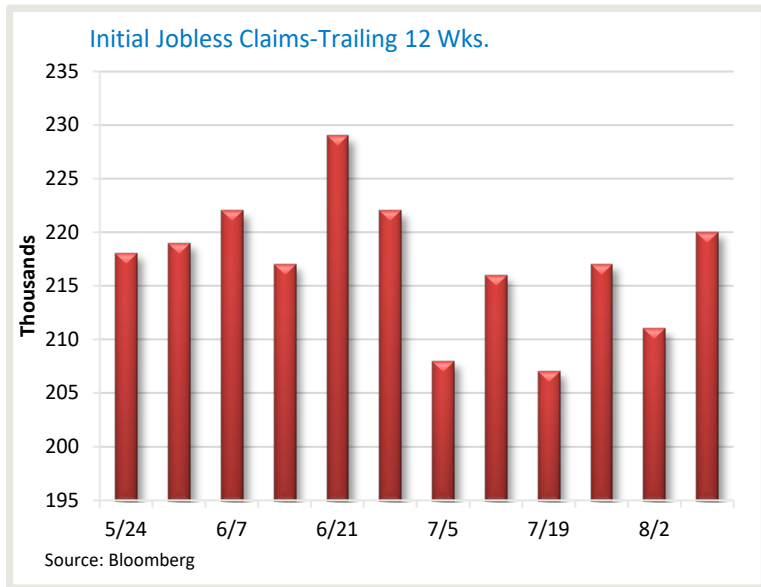
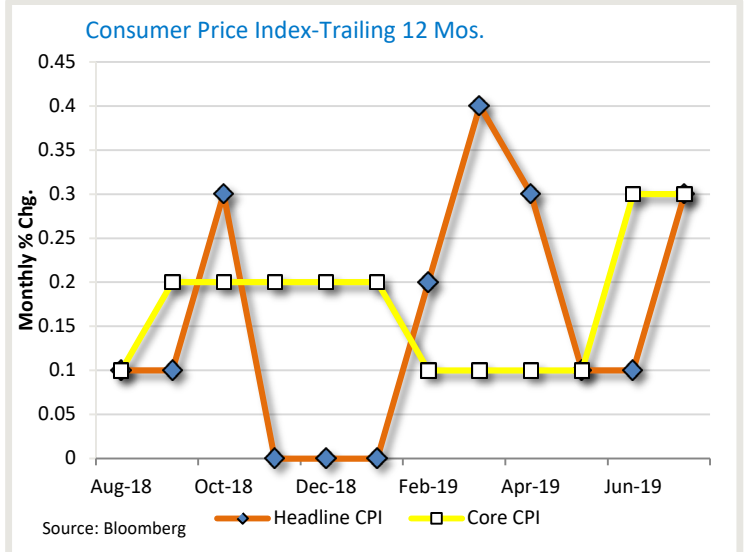
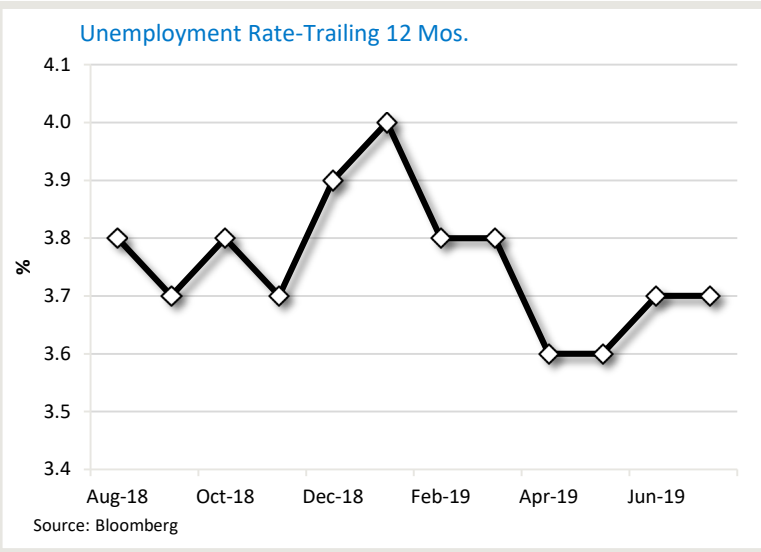
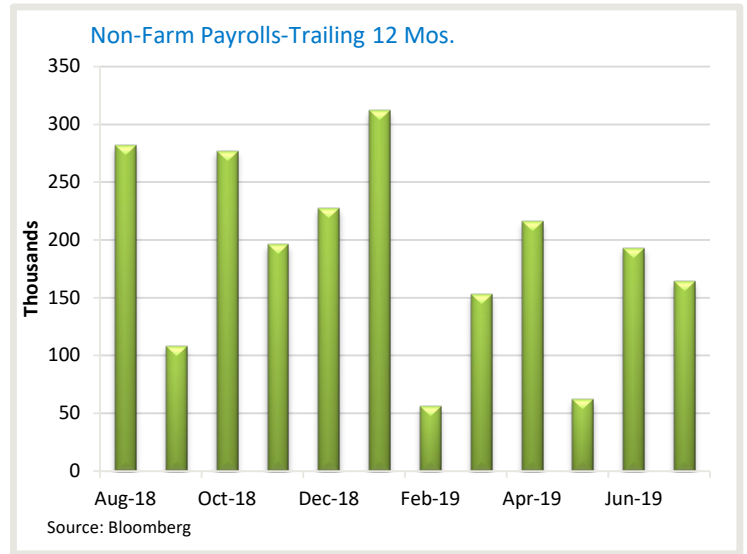
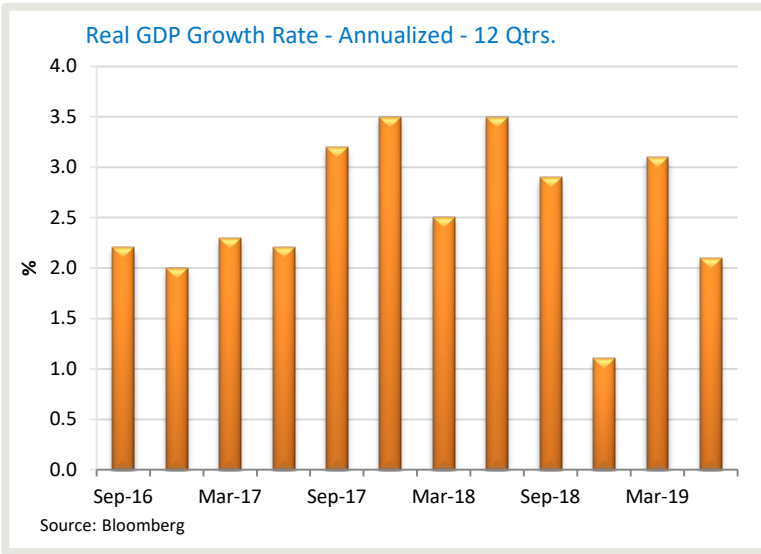
For many decades, China was considered to be a command economy, in which the central government is paramount in making policy decisions. Even with China's shift to a mixed economy in 1978, the government's input and influence on its economic decisions cannot be understated. So why are US investors now so startled at China's intervention in managing its own currency? A few reasons may justify the concern. First, depreciating the yuan gives China an undue competitive advantage with its exports. Additionally, China owns roughly 27% of US government debt held by foreigners. Thus, any change in the Chinese administration's policies to alter its foreign exchange reserves can have major implications for the US debt markets and, in turn, the US economy in terms of lending and mortgage rates. Finally, if Chinese authorities believe that the yuan is too weak, it can sell U.S. Treasuries and use the dollars received to buy its own currency, creating havoc with global interest rates.

However, playing with U.S. Treasury instruments should be China's last resort. China knows full well that selling Treasuries might put downward pressure on the dollar, making Chinese products less competitive in global markets. To add to China's woes, dollar-denominated debt held by Chinese firms is now more than \$1.5 trillion, 20% higher than it was in 2015, so a depreciating yuan exposes China to even greater currency risk.

Despite many developing countries moving from the age old fixed-rate exchange system to the more market-determined floating-rate one, coupled with expansionary fiscal policies, China has strategically adopted the managed floating-rate regime, largely dependent on the US dollar, because of the US's largest-trading-partner status. It is interesting that in November 2015, the International Monetary Fund (IMF) awarded the yuan the status of a reserve currency, and the IMF is initiating a shift to peg it to a basket of currencies to make it a global currency.

If the PBOC *did* intentionally engage in competitive devaluation of the yuan, does that indicate that China has gone on the defensive due to an economy that is struggling on multiple fronts? China's GDP growth recently slumped to the lowest level in 27 years, industrial production grew at its lowest rate since 2002, and retail sales are falling and trending below expectations. It also may be just another line of attack in an already complex and rapidly declining trade situation with the US. However, in an age of global economic and financial markets integration, many experts agree that major countries, especially superpowers like China and the US, should devote their resources to rebuilding confidence within the markets rather than resorting to protectionist measures such as currency devaluation and tariff hikes.

Economic Data



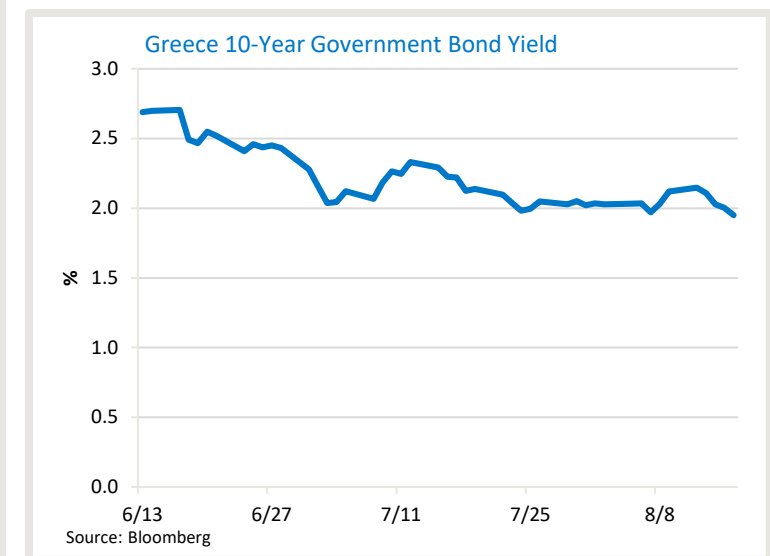
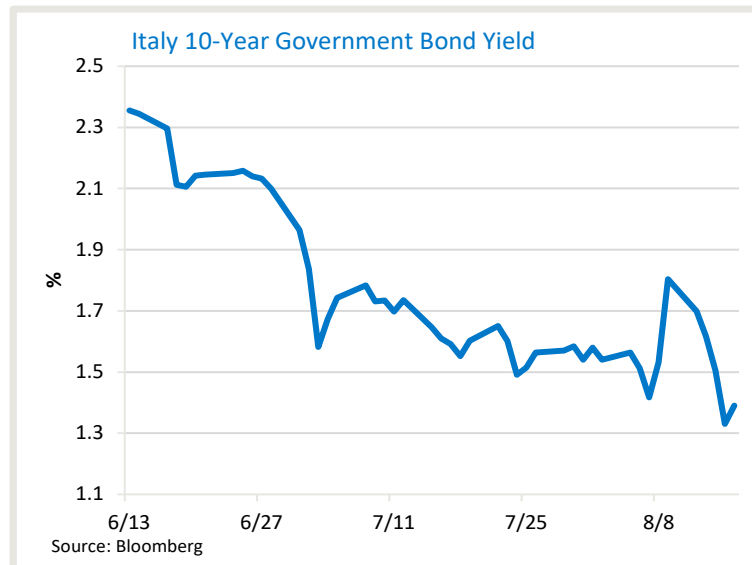
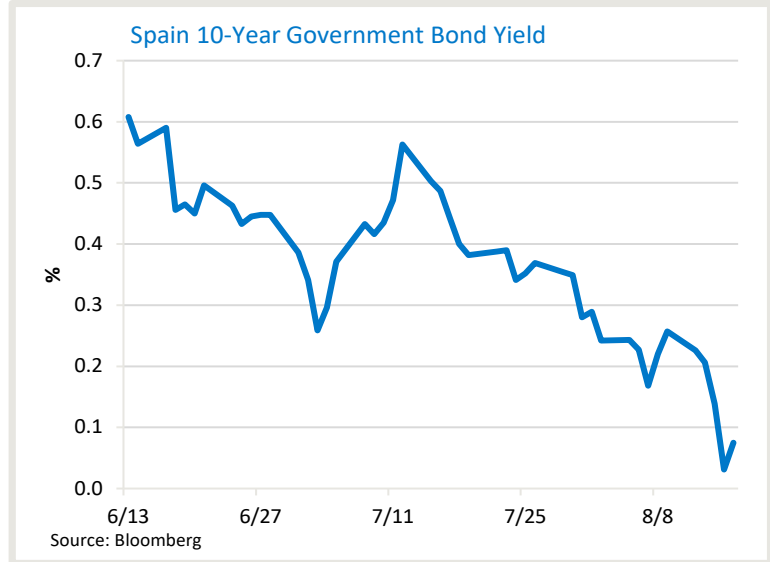
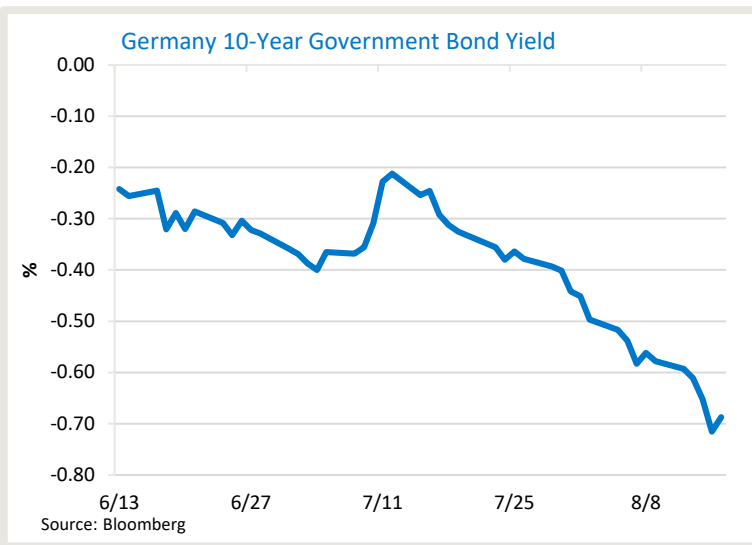
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.69	12 bps	NM	NM
Greece 10-Yr. Govt.	1.95	16 bps	NM	NM
Italy 10-Yr. Govt.	1.39	40 bps	NM	NM
Spain 10-Yr. Govt.	0.08	19 bps	NM	NM
Belgium 10-Yr. Govt.	-0.36	15 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	-0.42	15 bps	NM	NM
Ireland 10-Yr. Govt.	-0.13	14 bps	NM	NM
Portugal 10-Yr. Govt.	0.10	19 bps	NM	NM
Netherlands 10-Yr. Govt.	-0.57	11 bps	NM	NM
U.K. 10-Yr. Govt.	0.46	2 bps	NM	NM

Source: Bloomberg
Basis points (bps)

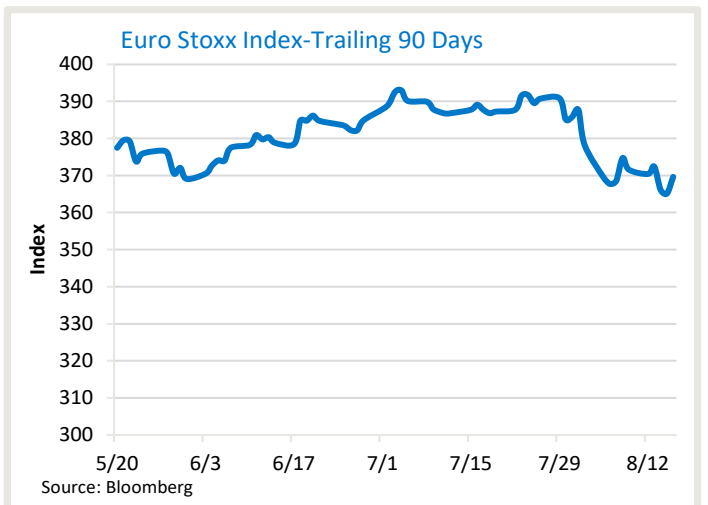
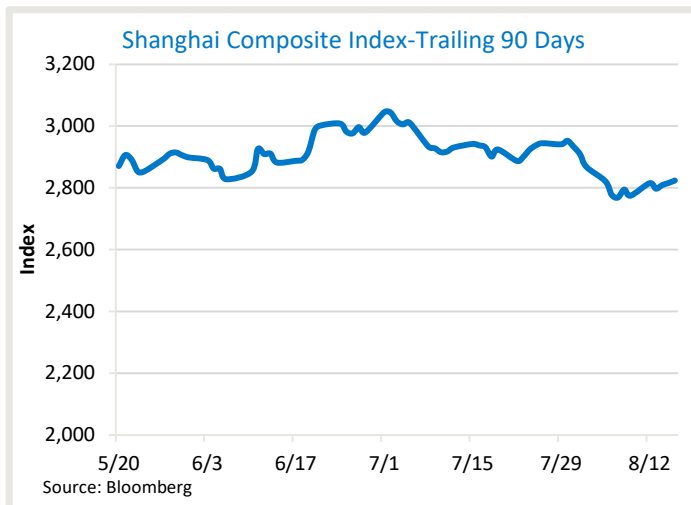
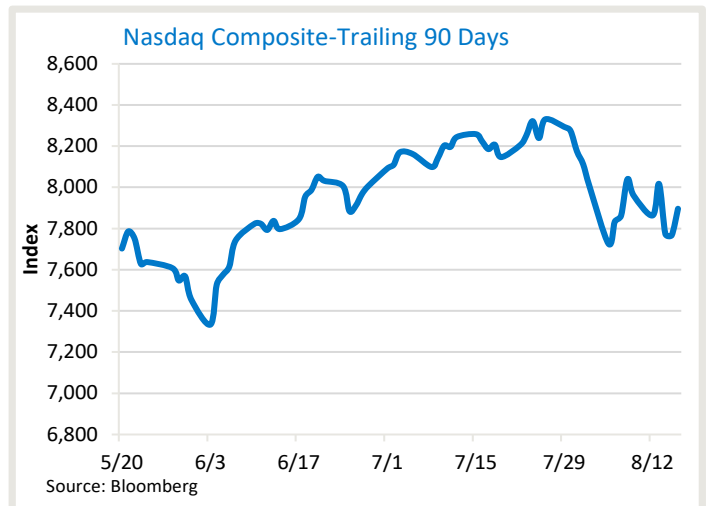
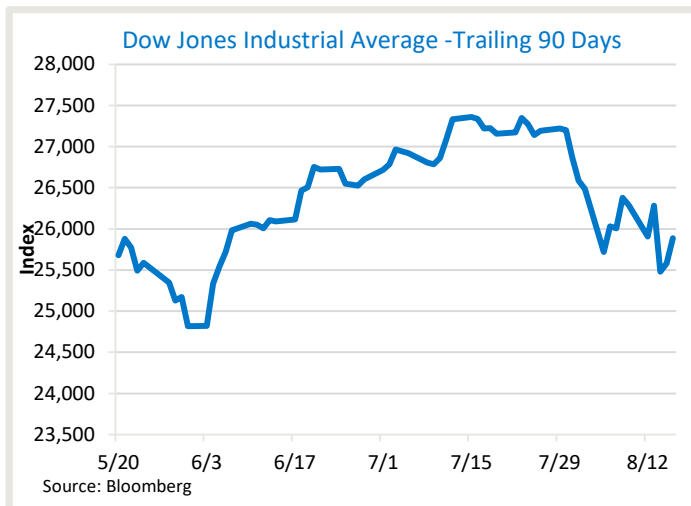


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,888.68	-29.97	-1.03%	15.23%	Swiss Market Index	9,728.39	-21.53	-0.22%	15.41%
Dow Industrials	25,886.01	-401.43	-1.53%	10.97%	CAC 40 Index (France)	5,300.79	-27.13	-0.51%	12.05%
Nasdaq Composite	7,895.99	-63.15	-0.79%	19.00%	DAX Index (Germany)	11,562.74	-131.06	-1.12%	9.51%
MSCI ACWI	497.85	-12.16	-2.38%	9.3%	Irish Overall Index	5,773.27	-89.02	-1.52%	5.36%
MSCI EM	963.52	-17.67	-1.80%	-0.2%	Nikkei 225	20,418.81	-174.54	-0.85%	2.02%
S&P/TSX (Canada)	16,149.79	-191.55	-1.17%	12.76%	Hang Seng Index	25,734.22	-205.08	-0.79%	-0.43%
Mexico IPC	39,339.55	-1065.54	-2.64%	-5.49%	Shanghai Composite	2,823.82	49.07	1.77%	13.23%
Brazil Bovespa	99,805.80	-4190.42	-4.03%	13.56%	Kospi Index (S. Korea)	1,927.17	6.56	0.34%	-5.58%
Euro Stoxx 600	369.63	-1.93	-0.52%	9.47%	Taiwan Taiex Index	10,420.89	-73.60	-0.70%	7.13%
FTSE 100	7,117.15	-136.70	-1.88%	5.78%	Tel Aviv 25 Index	1,553.21	-61.32	-3.80%	6.10%
IBEX 35 (Spain)	8,670.40	-87.40	-1.00%	1.53%	MOEX Index (Russia)	2,615.20	-64.51	-2.41%	10.38%

Source: Bloomberg; Index % change is based on price.



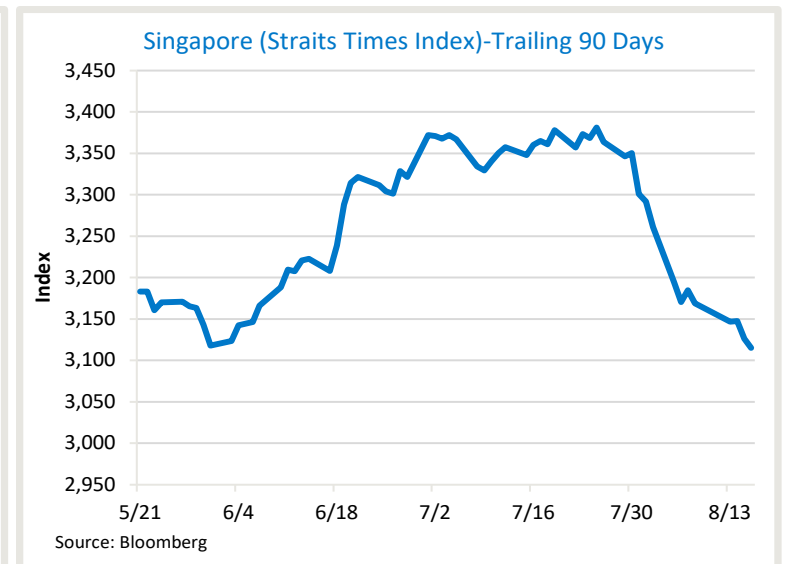
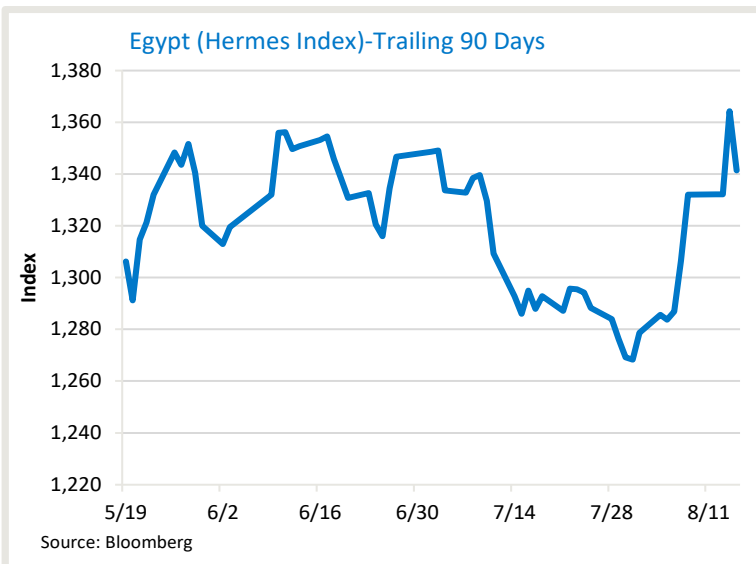
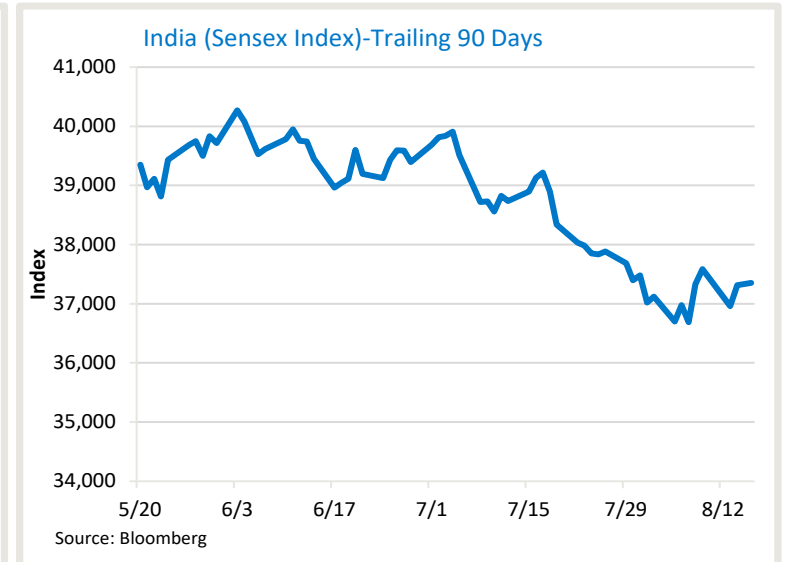
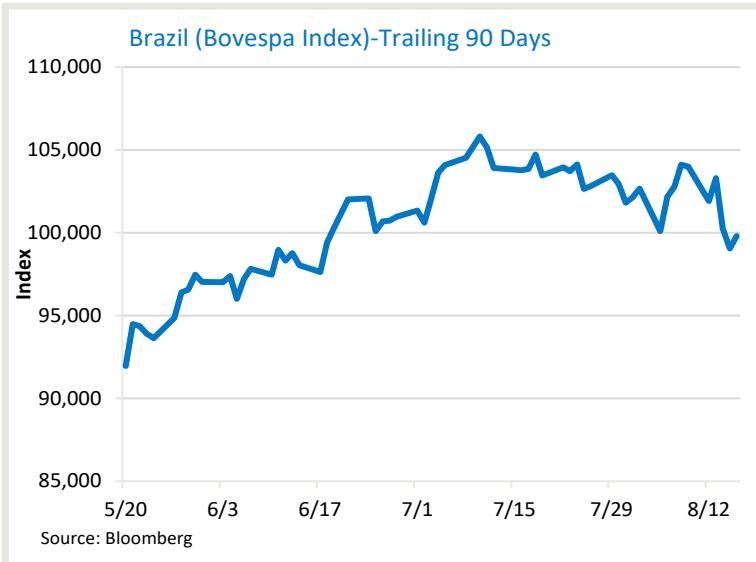
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	39,339.55	-1065.54	-2.6%	-5.5%
Brazil (Bovespa Index)	99,805.80	-4190.42	-4.0%	13.6%
MOEX Index (Russia)	2,615.20	-64.51	-2.4%	10.4%
Czech Republic (Prague)	1,035.46	12.79	1.3%	5.0%
Turkey (Istanbul)	95,734.19	-3670.86	-3.7%	4.9%
Egypt (Hermes Index)	1,341.45	9.47	0.7%	5.0%
Kenya (Nairobi 20 Index)	2,539.95	-3.64	-0.1%	-10.4%
Saudi Arabia (TASI Index)	8,550.23	156.16	1.9%	9.2%
Lebanon (Beirut BLOM Index)	814.26	0.00	0.0%	-16.6%
Palestine	531.17	0.00	0.0%	0.3%

Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
Hang Seng Index	25,734.22	-205.08	-0.8%	-0.4%
India (Sensex 30)	37,350.33	-231.58	-0.6%	3.6%
Malaysia (KLCI Index)	1,599.22	-16.80	-1.0%	-5.4%
Singapore (Straits Times Index)	3,115.03	-69.66	-2.2%	1.5%
Thailand (SET Index)	1,631.40	-33.72	-2.0%	4.3%
Indonesia (Jakarta)	6,286.66	4.53	0.1%	1.5%
Pakistan (Karachi KSE 100)	28,764.63	-664.44	-2.3%	-22.4%
Vietnam (Ho Chi Minh)	980.00	5.66	0.6%	9.8%
Sri Lanka (Colombo)	5,894.51	4.83	0.1%	-2.6%
Cambodia (Laos)	766.61	-0.14	0.0%	-8.3%

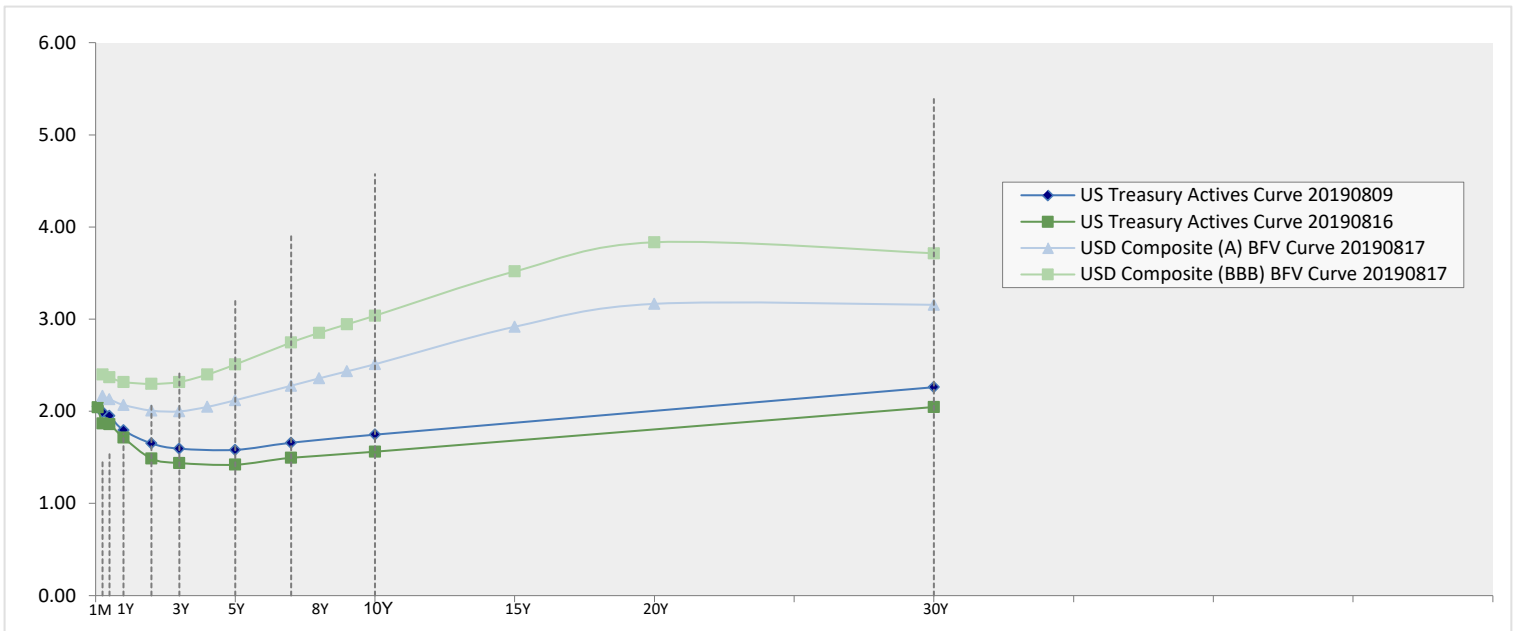


Interest Rates

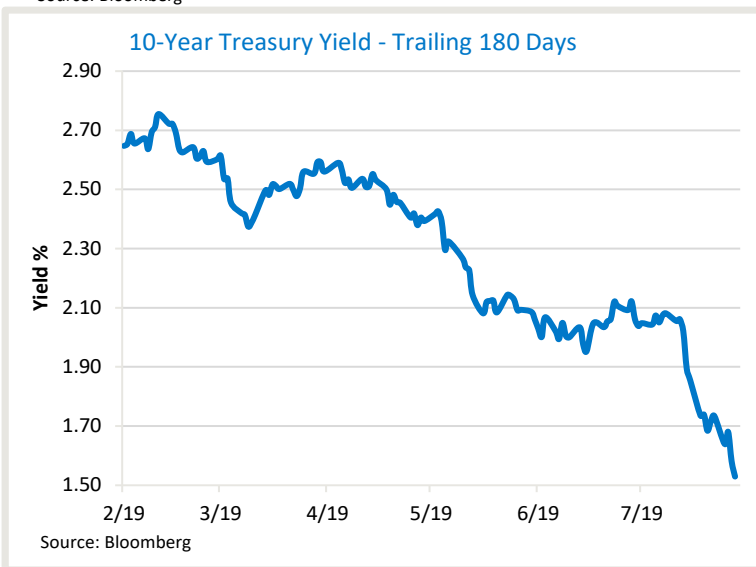
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.49%	3 bps	NM	NM	Prime Rate	5.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.41%	-15 bps	NM	NM	Fed Funds Rate	2.25%	0.00	NM	NM
10-Yr. U.S. Treasury	1.54%	-20 bps	NM	NM	Discount Rate	2.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.00%	-25 bps	NM	NM	LIBOR (3 Mo.)	2.12%	-5 bps	NM	NM
German 10-Yr. Govt.	-0.69%	12 bps	NM	NM	Bond Buyer 40 Muni	2.55%	-13 bps	NM	NM
France 10-Yr.	-0.42%	15 bps	NM	NM	Bond Buyer 40 G.O.	3.10%	NA	NM	NM
Italy 10-Yr.	1.39%	40 bps	NM	NM	Bond Buyer 40 Rev.	3.58%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.72%	2 bps	NM	NM					

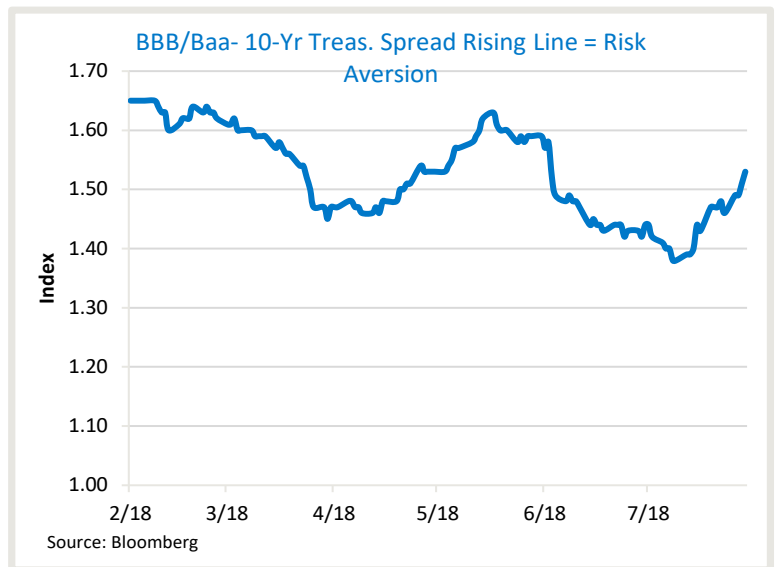
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	98.21	0.713	0.73%	2.11%
Euro	1.11	-0.011	-0.98%	-3.29%
Japanese Yen	106.34	0.650	-0.61%	3.15%
British Pound	1.21	0.011	0.95%	-4.76%
Canadian Dollar	1.33	0.005	-0.36%	2.77%

	Last	Change	% Chg.	YTD %
Chinese Yuan	7.04	-0.019	0.27%	-2.33%
Swiss Franc	0.98	0.006	-0.62%	0.34%
New Zealand Dollar	0.64	-0.004	-0.65%	-4.36%
Brazilian Real	4.01	0.062	-1.54%	-3.22%
Mexican Peso	19.65	0.238	-1.21%	-0.01%

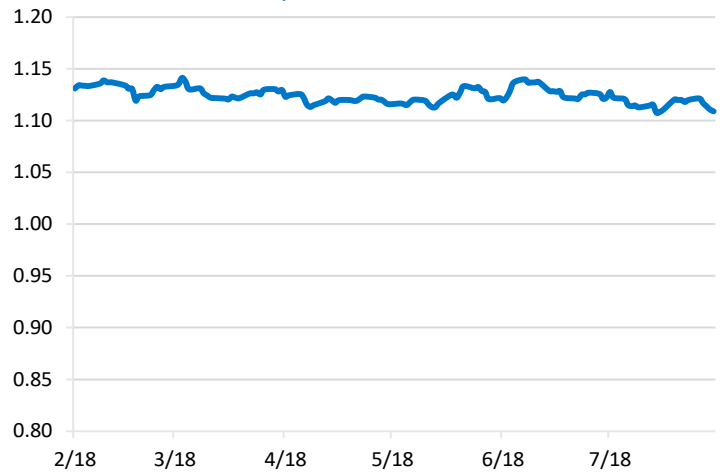
Source: Bloomberg

U.S. Dollar Index - Trailing Six Months



Source: Bloomberg

Euro - U.S. Dollars per Euro



Source: Bloomberg

Chinese yuan - yuan per U.S. Dollar



Source: Bloomberg

Japanese yen - Yen per U.S. Dollar



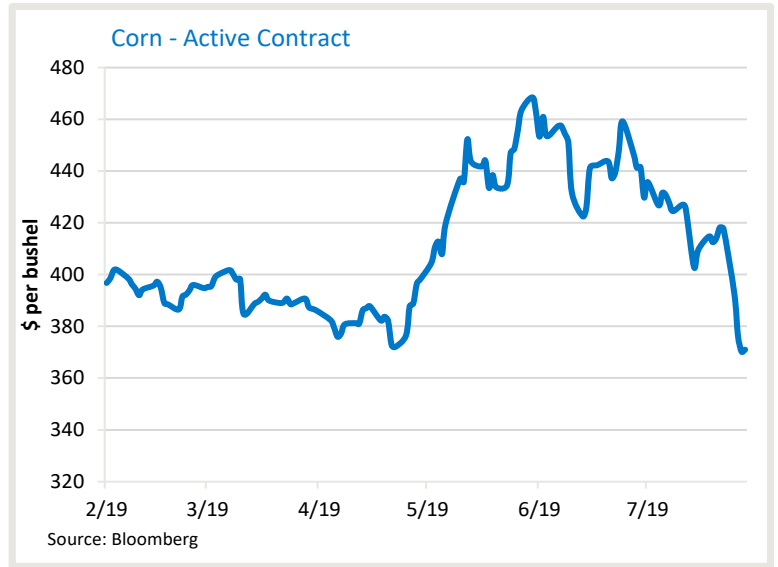
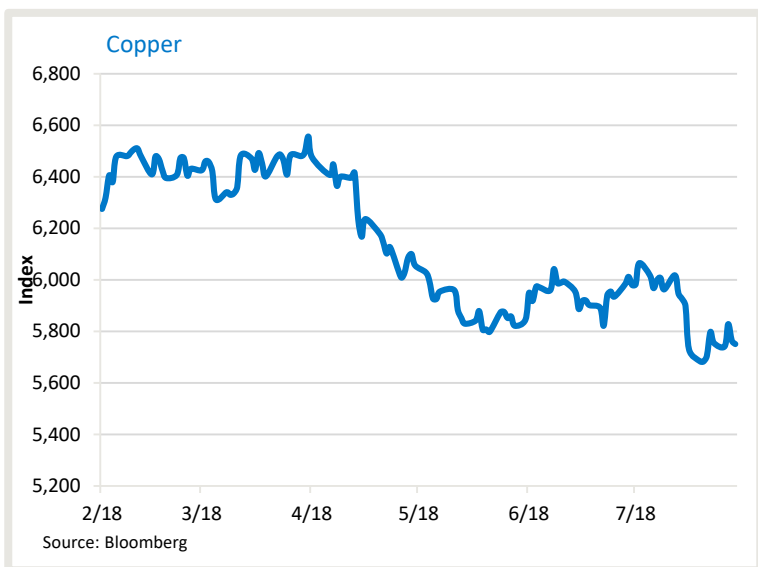
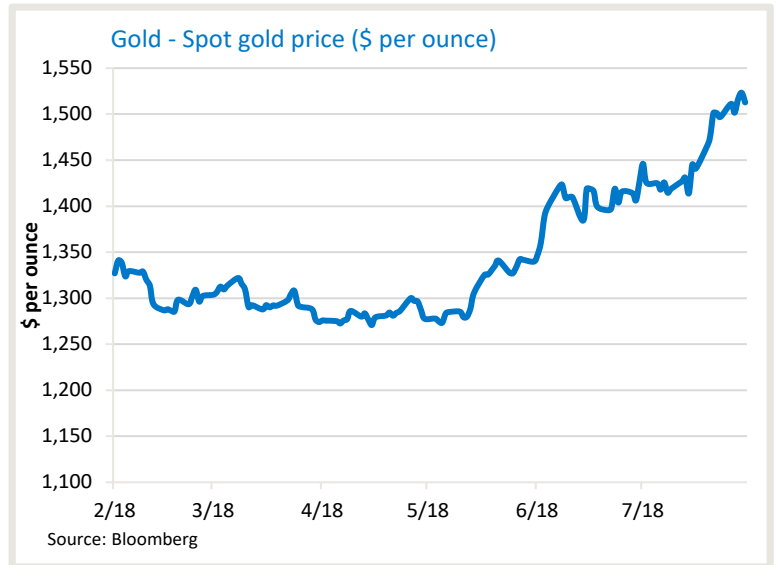
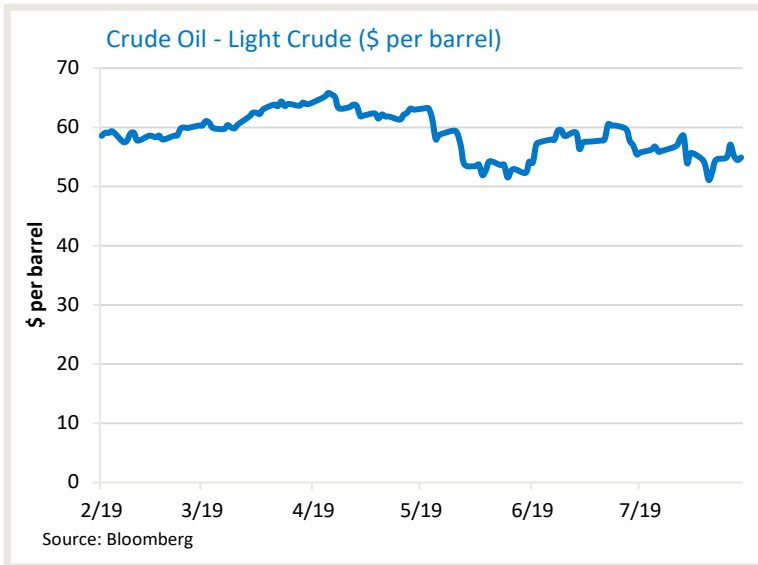
Source: Bloomberg

Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	76.77	-0.65	-0.84%	0.07%	Platinum Spot	\$849.47	-\$11.52	-1.34%	6.76%
Crude Oil	\$54.86	\$0.41	0.75%	14.78%	Corn	380.75	-37.00	-8.86%	-4.21%
Natural Gas	\$2.20	\$0.08	3.87%	-19.23%	Wheat	477.50	-24.00	-4.79%	-11.98%
Gasoline (\$/Gal.)	\$2.64	-\$0.02	-0.90%	16.79%	Soybeans	879.75	-12.00	-1.35%	-5.93%
Heating Oil	181.28	0.58	0.32%	6.66%	Sugar	11.64	-0.22	-1.85%	-7.10%
Gold Spot	\$1,512.77	\$15.71	1.05%	17.95%	Orange Juice	98.80	-3.50	-3.42%	-23.94%
Silver Spot	\$17.11	\$0.13	0.77%	10.42%	Aluminum	1,782.00	11.00	0.62%	-3.47%
					Copper	5,751.00	-4.00	-0.07%	-3.59%

Source: Bloomberg; % change is based on price.

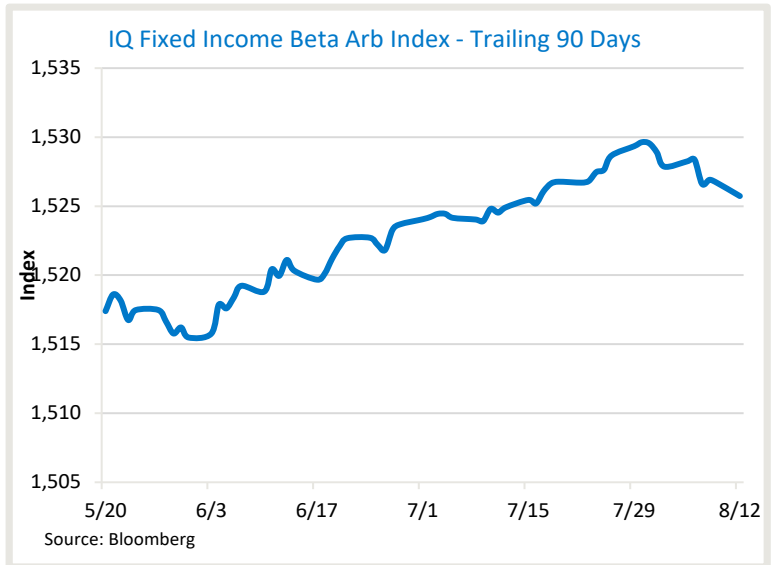
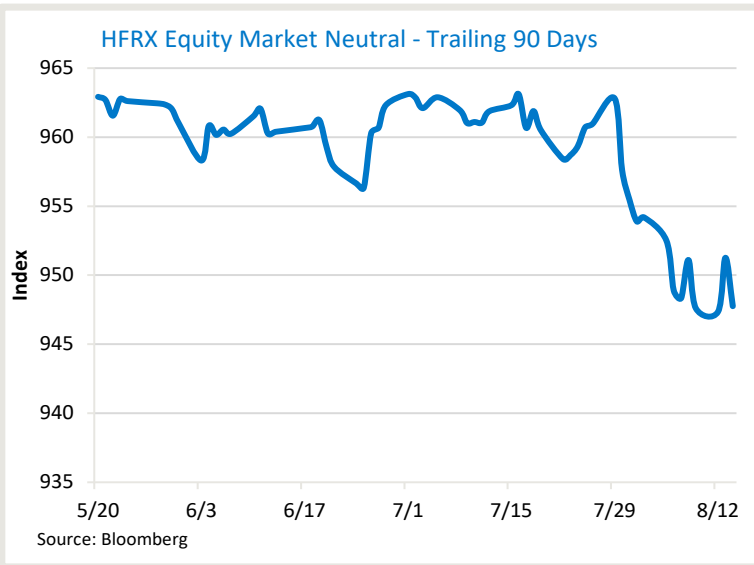
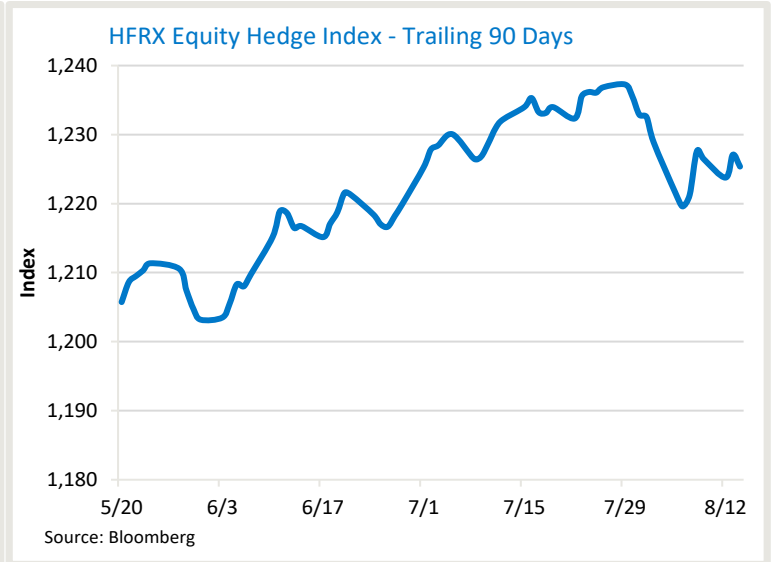
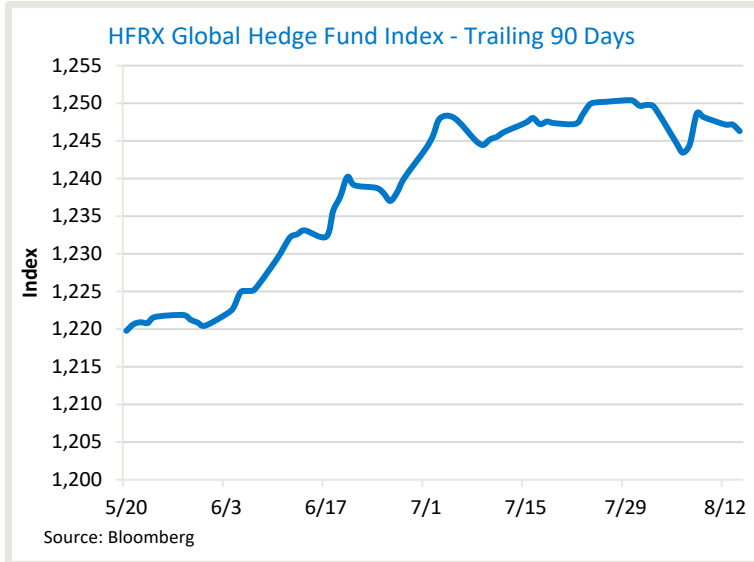


Alternative Investments

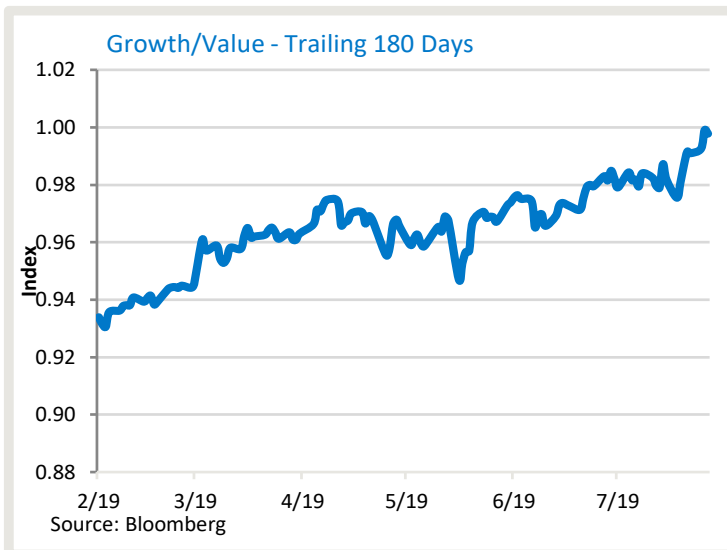
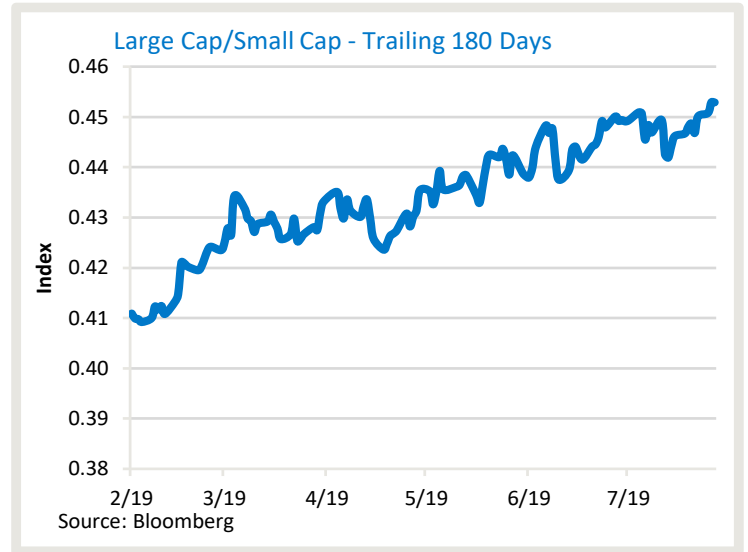
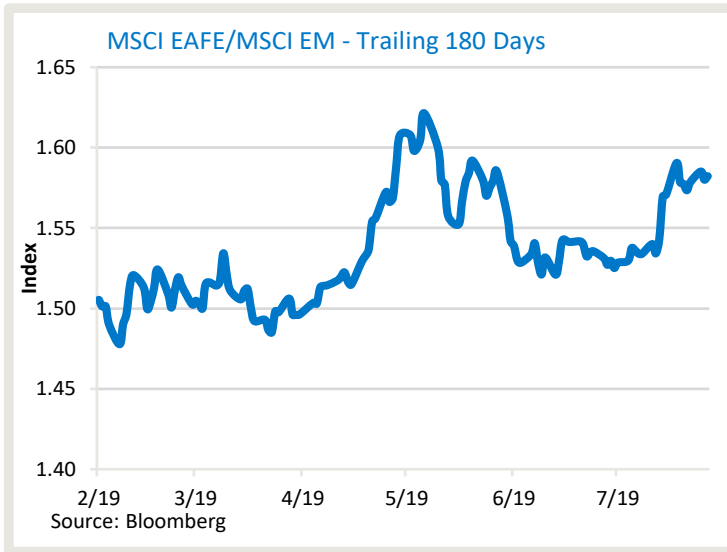
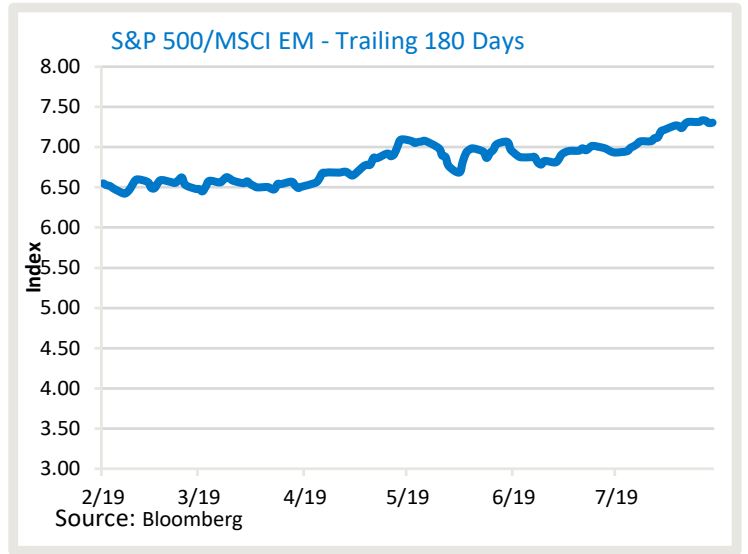
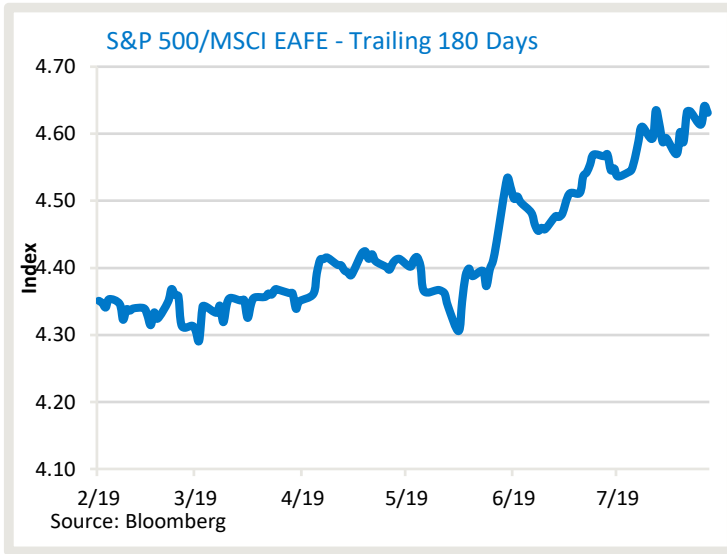
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1246.29	-1.84	-0.15%	4.74%	HFRX Special Situation Index	1218.31	-3.19	-0.26%	1.27%
HFRX Equity Market Neutral	947.75	0.16	0.02%	-2.56%	HFRX Merger Arbitrage Index	1778.60	-0.59	-0.03%	-2.15%
HFRX Equity Hedge Index	1225.36	-1.04	-0.08%	6.45%	HFRX Convertible Arbitrage Index	808.90	-0.68	-0.08%	2.70%
HFRX Event-Driven Index	1507.88	-3.77	-0.25%	2.49%	HFRX Macro CTA Index	1179.23	0.98	0.08%	4.72%
HFRX Absolute Return Index	1079.69	0.55	0.05%	2.04%	IQ Fixed Income Beta Arb Index	1524.20	-2.48	-0.16%	4.22%

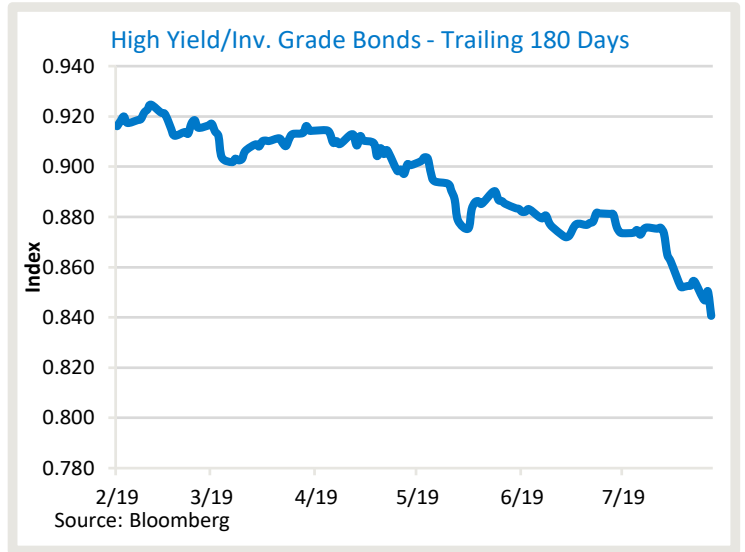
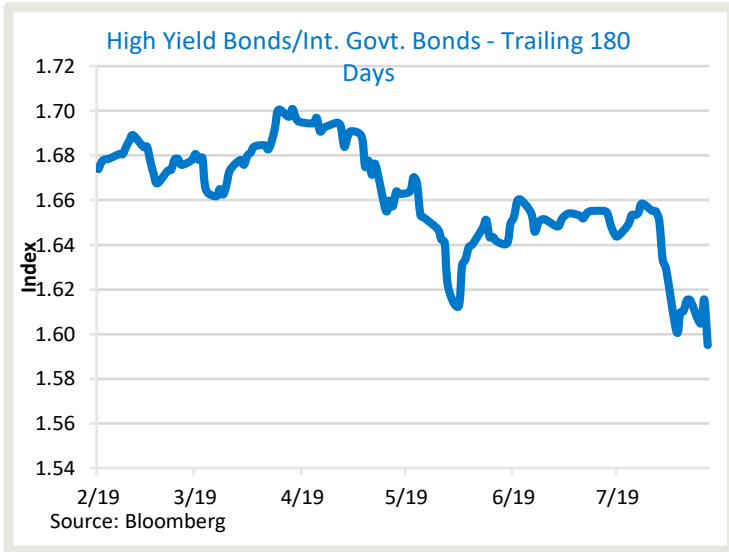
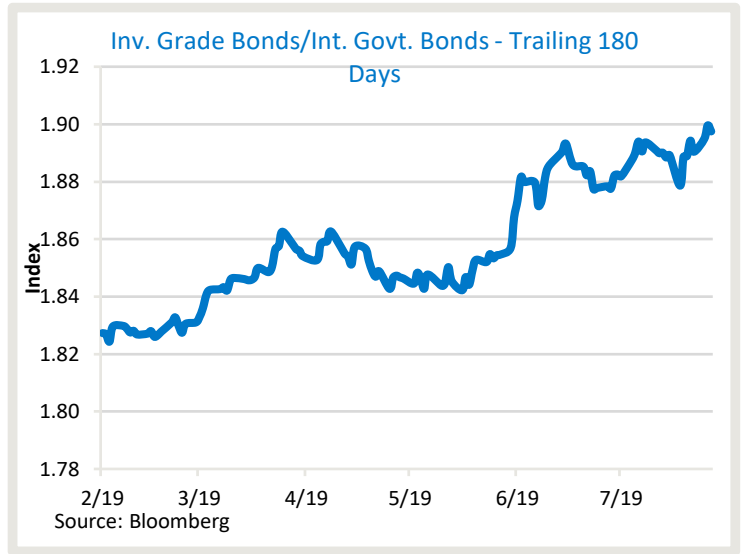
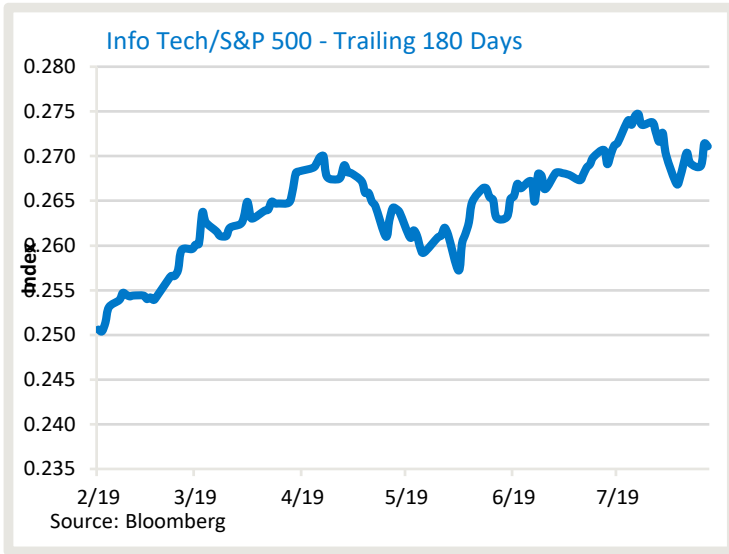
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			5/30	6/6	6/13	6/20	6/27	7/4	7/11	7/18	7/25	8/1	8/8	8/15
Equity	Domestic Equity	Large Cap (R200)	-1.18%	1.68%	1.82%	2.25%	-0.91%	2.44%	0.27%	-0.17%	0.26%	-1.62%	-0.58%	-2.98%
		Small Cap (R2000)	-1.06%	1.21%	2.15%	1.80%	-1.08%	1.65%	-0.90%	-0.15%	0.37%	-0.68%	-1.20%	-4.60%
	Int'l. Equity	MSCI EAFE	-0.74%	1.54%	1.36%	2.08%	-0.24%	1.87%	-1.54%	-0.69%	0.66%	-1.28%	-2.53%	-2.66%
		MSCI Em. Mkts.	1.03%	0.79%	1.93%	3.10%	0.10%	0.93%	-0.89%	-0.33%	0.24%	-2.82%	-3.93%	-2.11%
Fixed Income	BarCap Agg. (AGG)	0.48%	0.30%	0.34%	0.73%	-0.01%	0.14%	-0.80%	0.57%	-0.10%	0.65%	0.79%	0.86%	
	High Yield (JNK)	-0.26%	0.32%	0.58%	1.46%	-0.54%	0.13%	-0.57%	-0.06%	0.31%	-0.52%	-0.36%	-0.53%	
Commodities	Bloomberg Commodity Index	1.45%	-2.52%	0.65%	2.00%	1.29%	-1.23%	1.72%	-2.04%	0.10%	-2.52%	0.04%	-0.44%	
Alternatives	Hedge Funds (HFRX Global)	0.00%	0.34%	0.62%	0.62%	-0.16%	0.79%	-0.20%	0.16%	0.20%	-0.03%	-0.09%	-0.19%	
Asset Allocation	60/40*	-0.36%	1.02%	1.21%	1.65%	-0.44%	1.28%	-0.59%	0.01%	0.21%	-0.69%	-0.61%	-1.58%	
	48/32/20 (w/Alts.)**	-0.29%	0.88%	1.09%	1.44%	-0.39%	1.18%	-0.51%	0.04%	0.21%	-0.56%	-0.51%	-1.30%	

Source: Bloomberg; *60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.

**48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	0.95	1.08	1.03	0.96	1.10	1.08	1.03	1.14	1.29	1.35	0.80	1.03	0.61	0.98
Large Cap Growth	1.06	1.00	1.14	1.09	1.01	1.16	1.14	1.08	1.20	1.36	1.43	0.84	1.09	0.64	1.03
Large Cap Value	0.93	0.88	1.00	0.96	0.89	1.02	1.00	0.95	1.06	1.19	1.25	0.74	0.96	0.56	0.91
Mid Cap Core	0.97	0.92	1.04	1.00	0.93	1.06	1.05	0.99	1.10	1.24	1.31	0.77	1.00	0.59	0.95
Mid Cap Growth	1.04	0.99	1.13	1.08	1.00	1.15	1.13	1.07	1.19	1.34	1.41	0.83	1.08	0.64	1.02
Mid Cap Value	0.91	0.86	0.98	0.94	0.87	1.00	0.98	0.93	1.04	1.17	1.23	0.72	0.94	0.55	0.89
Small Cap Core	0.92	0.88	1.00	0.96	0.89	1.02	1.00	0.95	1.06	1.19	1.25	0.74	0.95	0.56	0.91
Small Cap Growth	0.97	0.92	1.05	1.01	0.93	1.07	1.05	1.00	1.11	1.25	1.32	0.78	1.01	0.59	0.95
Small Cap Value	0.88	0.83	0.95	0.91	0.84	0.96	0.95	0.90	1.00	1.13	1.19	0.70	0.90	0.53	0.86
Int'l. Developed	0.78	0.74	0.84	0.80	0.74	0.86	0.84	0.80	0.89	1.00	1.05	0.62	0.80	0.47	0.76
Emerging Markets	0.74	0.70	0.80	0.76	0.71	0.81	0.80	0.76	0.84	0.95	1.00	0.59	0.76	0.45	0.72
REITs	1.25	1.19	1.36	1.30	1.20	1.38	1.36	1.29	1.43	1.61	1.70	1.00	1.30	0.76	1.23
Commodities	0.97	0.92	1.05	1.00	0.93	1.07	1.05	0.99	1.11	1.25	1.31	0.77	1.00	0.59	0.95
Int. Bond	1.64	1.56	1.77	1.70	1.57	1.81	1.77	1.69	1.87	2.11	2.22	1.31	1.69	1.00	1.61
High Yield	1.02	0.97	1.10	1.05	0.98	1.12	1.10	1.05	1.16	1.31	1.38	0.81	1.05	0.62	1.00

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

INDEX OVERVIEW

The S&P 500 Index is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The S&P/Case-Shiller Home Price Indices measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The Nasdaq Composite is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The MSCI EAFE Index represents 21 developed markets outside of North America. The MSCI EAFE Growth Index is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The MSCI EAFE Value Index is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The MSCI Europe Index is an unmanaged index considered representative of stocks of developed European countries. The MSCI Pacific Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The Barclays US Credit Index is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The Barclays US Aggregate Bond Index is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The Barclays US Corporate High Yield Index covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The Barclays Capital Municipal Bond Index is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The Barclays US Treasury Total Return Index is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The Citigroup World Government Bond Index is a market capitalization weighted bond index consisting of the government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The DJ-UBS Commodity Index Total ReturnSM measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The Russell 1000 Index is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The Russell 1000 Growth Index is an unmanaged index considered representative of large-cap growth stocks. The Russell 1000 Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 2000 Index is an unmanaged index considered representative of small-cap stocks. The Russell 2000 Growth Index is an unmanaged index considered representative of small-cap growth stocks. The Russell 2000 Value Index is an unmanaged index considered representative of small-cap value stocks. The Russell 3000 Index is an unmanaged index considered representative of the US stock market. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Growth Index is an unmanaged index considered representative of mid-cap growth stocks. The Russell Midcap Value Index is an unmanaged index considered representative of mid-cap value stocks. The HFRX Indices are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The ISM Non-Manufacturing Index is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The ISM Manufacturing Index is an index based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys. The Consumer Price Index (CPI) measures the change in the cost of a fixed basket of products and services. The Gross Domestic Product (GDP) rate is a measurement of the output of goods and services produced by labor and property located in the United States. Basis Point(s) is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. The CBOE Volatility Index (VIX) is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The MSCI World ex-U.S. Index - captures large and mid-cap representation across 22 of 23 Developed Markets DM countries*--excluding the United States. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. (* DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.) The MSCI Japan Index - is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The Barclays Global Aggregate ex-U.S. Index - is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The University of Michigan Consumer Sentiment Index (MCSI) is a survey of consumer confidence conducted by the University of Michigan. The Michigan Consumer Sentiment Index (MCSI) uses telephone surveys to gather information on consumer expectations regarding the overall economy. A separately managed account (SMA) is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. An open-end index fund continuously issues and redeems shares based on investor demand. As an index fund, its investment objective is to duplicate the performance of the index it uses as a benchmark. Investment Grade or Investment Grade Bond – The broad credit designation given to corporate and municipal bonds which have a high probability of being paid and minor, if any, speculative features. Bonds rated Baa and higher by Moody's Investor Services or BBB and higher by Standard & Poor's are deemed by those agencies to be "investment grade". Non-Investment Grade - By definition, junk bonds are non-investment grade. A bond rated lower than Baa/BBB, also called a "high-yield" bond. Junk bonds are speculative compared with investment grade bonds. Risk-On Risk-Off - An investment setting in which price behavior responds to, and is driven by, changes in investor risk tolerance. Risk-on risk-off refers to changes in investment activity in response to global economic patterns. During periods when risk is perceived as low, risk-on risk-off theory states that investors tend to engage in higher-risk investments. When risk is perceived as high, investors have the tendency to gravitate toward lower-risk investments.

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